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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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JONATHAN OTTO

Plaintiff

v.

17 Civ. 4712 (GHW)
Conference

HEARST COMMUNICATIONS, INC.

Defendant

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New York, N.Y.
February 5, 2017
4:00 p.m.

Before:

HON. GREGORY H. WOODS

District Judge

APPEARANCES

LIEBOWITZ LAW FIRM

Attorney for Plaintiff

JAMES FREEMAN

HEARST CORPORATION

OFFICE OF GENERAL COUNSEL

Attorneys for Defendant

JENNIFER BISHOP

RAVI V. SITWALA

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(In open court; case called)

THE COURT: Counsel, state your names for the record.

MR. FREEMAN: Good afternoon, your Honor.

James Freeman, Liebowitz law firm on behalf of
plaintiff, Jonathan Otto.

MS. BISHOP: Good afternoon, your Honor.

Jennifer Bishop. I'm inhouse counsel for Hearst
Communications, Inc. I'm here with my colleague Ravi Sitwala.

THE COURT: Thank you so much. Thank you all for
being here.

We are here for a status conference with respect to
this matter, also to discuss the parties' proposed motions for
summary with respect to this case.

First, counsel for plaintiff, thank you for your
letter. You did miss the deadline, but I will permit the
motion on the last.

So let's hear from each of the parties regarding your
views on the status of the case, and then we'll talk about the
proposed motions.

Counsel for plaintiff, what can you tell me about the
status of the case as a whole?

MR. FREEMAN: In terms of settlement or just in terms
of status period? The status is we've completed discovery in
terms of document disclosure, in terms of fact witnesses.
They've also produced two expert reports, but there was no

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1 depositions of the expert witnesses.

2 We are essentially prepared to brief the summary
3 judgment motion. The principal issue is likely to be fair use.
4 They do have other affirmative defenses that they've asserted
5 in their answer, most of which are boilerplate, such as
6 estoppel and waiver. They've also challenged the validity of
7 the copyright registration, but there is no evidence on the
8 record that my client defrauded the copyright office. In fact,
9 our law office was the one that handled the copyright
10 registration, so we don't think that there's going to be much
11 of a challenge to validity.

12 As your Honor may know, there's two elements to a
13 copyright infringement claim: Valid ownership and copying.
14 They've already admitted the second element and the first
15 element, as I just mentioned, is probably not subject to
16 challenge.

17 So we are really looking at the affirmative defense of
18 fair use. In that sense, it seems to be an epic battle in this
19 particular case because the plaintiff is just an ordinary guy
20 who happened to be at a wedding where Donald Trump showed up,
21 crashed the wedding. He took out his iPhone like everybody
22 else, took a photograph. Ended up that there were several
23 media outlets that, you know, commercially exploited the
24 photograph, hers being one of them. CBS exploited it. TMZ,
25 which is Warner Brothers exploited it. Yahoo. We've settled

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1 against all the other defendants, but Hearst is, I guess,
2 prepared to test the boundaries of the fair use doctrine.

3 Essentially, it's really a case about the
4 democratization of technology because in this day and age
5 everybody has access to an iPhone. Everyone has access to
6 become an author of a photograph, and the real question, sort
7 of the general question is does the Copyright Act protect the
8 works of those who might not be in the industry of publishing
9 photographs. And we believe it should be extended to ordinary
10 people who just happen to be at the right place at the right
11 time. They too deserve protection.

12 And it's also notable here that the article in
13 question incorporates several different photographs of Donald
14 Trump at the wedding. So they didn't actually have to take my
15 client's photograph and exploit it, but they chose to for no
16 other reason than to enhance their article. I think the case
17 law is pretty clear --

18 THE COURT: Thank you. Let me just pause you, because
19 I will dedicate discussion specifically to the proposed motion.

20 Is there anything else you'd like to tell me about the
21 status of the case as a whole?

22 MR. FREEMAN: I think that covered it.

23 THE COURT: Thank you.

24 Counsel for defendant, what would you like to tell me
25 about the status of the case?

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1 MS. BISHOP: Thank you, your Honor.

2 We pretty much agree with counsel for plaintiff's
3 assessment of the status. We've completed fact discovery. I
4 just wanted to correct that we actually disclosed three experts
5 on the issue of damages, not two, but otherwise that was
6 accurate. And we are ready to move forward with cross motions
7 for summary judgment.

8 THE COURT: Thank you.

9 Let me hear from counsel for the defendant in the
10 first instance regarding the proposed motion and the basis for
11 it.

12 MS. BISHOP: Sure.

13 As counsel for plaintiff indicated, we do believe the
14 primary issue here is going to be fair use on these cross
15 motions, and we're going to move for summary judgment on our
16 fair use defense. You know, as counsel for plaintiff pointed
17 out, the plaintiff here was not a professional photographer,
18 but this case is different than a lot of other photograph
19 copyrights for a number of other reasons, including that this
20 plaintiff has testified very clearly and very specifically that
21 he took this photograph just for his own personal use. He
22 never had any intention of licensing it or disseminating it for
23 any reporting use purposes. So when my client used it in that
24 way, my client really did transform it into a totally different
25 use and totally different purpose in connection with a

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1 news-worthy article about the President's actions.

2 THE COURT: I'm sorry. Why does this go to
3 transformation as opposed to damages?

4 MS. BISHOP: Because plaintiff and defendant used --
5 plaintiff took the photograph for one purpose, which was for
6 his own personal use and explicitly not for licensing or
7 dissemination, and Hearst used it specifically for news
8 reporting which is one of the preamble -- one of the classic
9 fair uses listed in the preamble of the --

10 THE COURT: So is it defendant's view that it is
11 transformative whenever an image that was not intended to be
12 published is then published for news purposes?

13 MS. BISHOP: No, not in every instance, but we think
14 in this instance when you consider all four of the fair use
15 factors, it is. Part of that does involve a consideration of
16 the fourth fair use factor of the impact on any market, again,
17 where plaintiff testified that he never -- there was never any
18 market, but he nonetheless gave the photograph to a person who
19 he didn't know how that other person was going to use the
20 photograph which led to it being available publicly, and so we
21 think that also factor four weighs in favor of a finding of
22 fair use here.

23 THE COURT: Thank you.

24 Can you expand on that somewhat? Factor four is, as
25 you've recited in your letter, the effect of the use upon the

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1 potential market for value of the copyrighted work.

2 MS. BISHOP: Right.

3 THE COURT: Why does the test include whether or not
4 the author intended themselves to avail themselves of the
5 potential market for or value of the --

6 MS. BISHOP: Sure. There's actually Second Circuit
7 case law that speaks very clearly to this point that holds that
8 where a copyright defendant used a work in a market that the
9 copyright owner has no intent to occupy in the first place,
10 that there has not been an impact on the actual or potential
11 market for the copyrighted right. It's in -- Second Circuit.
12 I don't have the citation in front of me.

13 THE COURT: Thank you. Proceed.

14 MS. BISHOP: We also believe that factor two also
15 weighs in favor of a finding of fair use here. That's the
16 consideration of the nature of the copyrighted work where
17 courts generally look to how factual on the one hand a work is
18 and how creative on the other hand it is. In this case, the
19 plaintiff testified that he basically did not exercise any
20 creative judgment. He just, as soon as the president entered
21 the room, he started taking serial photos probably in a burst
22 fashion on his cell phone. We think factor two weighs strongly
23 in Hearst's favor.

24 We also recognize that while some courts have not
25 given as much weight to this factor, again, as counsel for

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1 plaintiff pointed out, technology has changed, and we think in
2 a world where everyone has a camera in their cell phone,
3 putting more weight on factor two is appropriate.

4 And with respect to the third factor, the amount of
5 substantiality of the work that was used, that is really
6 neutral in this instance because it would not be possible to
7 use this photograph for adverse purposes without using all of
8 it or without using most of it, and there is clear case law on
9 that point as well where in order to use the work in a
10 transformative way, you have to use all of it and this factor
11 is neutral.

12 THE COURT: Did I miss it, did you address the first
13 factor?

14 MS. BISHOP: That was my opening on transformativeness
15 purposes. It's our position that -- well, the fact that there
16 is clear Second Circuit law that says that when a defendant's
17 use is within one of the preamble uses listed in the beginning
18 of Section 107 of the Copyright Act, there's a presumption that
19 factor one weighs in favor of the defendant.

20 That's only all the more clear here because, again,
21 the plaintiff testified very clearly what his purpose was in
22 taking the photo, and Hearst used it for an entirely different
23 purpose, and did add to it with an entire article on commentary
24 and was reporting on very timely events concerning the
25 president.

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1 THE COURT: Than you.

2 Can you expand on that argument? I'll see your
3 briefing on it, but I understand this is arguably a newsworthy
4 topic and that an article accompanied the image. But why is
5 the fact that the subject matter of the photograph was
6 newsworthy and the fact that an article was written to
7 accompany the work sufficient to establish transformative use?

8 MS. BISHOP: Well, your Honor, I'm not sure that, you
9 know, in a different case it necessarily would be, but in this
10 case where, again, the purpose that the plaintiff had in taking
11 the photo and using the photo himself was so different, fair
12 use case law does look very much to the express purpose of both
13 parties and the reason that they're using the image, or other
14 copyrighted work. And in this instance Hearst used it in a
15 completely different way than plaintiff did.

16 THE COURT: And different use you understand to
17 establish that per se transformative use?

18 MS. BISHOP: A use for a different purpose also
19 adding, again, substance in the form of a news article and
20 reporting on the President's actions.

21 THE COURT: Thank you.

22 What is the case law that you point me to for that
23 argument?

24 MS. BISHOP: The *Nunez* case out of the First Circuit,
25 which we cited in our letter is on point as was the District of

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1 Virginia case we cited. There is more. There is an Eleventh
2 Circuit case. I don't have that cite in front of me, but we
3 will fully brief this issue.

4 THE COURT: Why do you think that this is an issue
5 that is appropriately before the Court on summary judgment?

6 MS. BISHOP: The facts are not -- I don't believe the
7 key underlying facts are in dispute here, and as your Honor is
8 well aware, balancing for fair use can be resolved in summary
9 judgment where the underlying material facts are not in
10 dispute. So the parties have taken the position that this can
11 be resolved as a matter of law.

12 While we recognize that may not be the case, your
13 Honor may find factual issues or some balancing of these
14 factors where it really cannot be determined without serving it
15 to a jury, we do think that there's enough here that weighs in
16 our favor that this could be found as fair use as a matter of
17 law.

18 THE COURT: Thank you.

19 Could counsel for plaintiff, what's your view
20 regarding the fair use defense? And then I'd like to invite
21 you to speak regarding the basis for your alternative motion.

22 MR. FREEMAN: Sure. Thank you, your Honor.

23 With respect to the first factor, there's actually
24 three sub-factors. The first is the transformative use. The
25 second is whether or not the purpose is commercial or

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1 non-commercial. And there is actually a third sub-factor,
2 which is whether or not the image was taken in bad faith.

3 Now, your Honor can find with respect to the third
4 sub-factor that when Hearst posts a photograph to esquire.com,
5 in this case, the editor has to fill out a form online which
6 identifies the copyright holder as well as the name of the
7 photographer. I'm holding the document here which they
8 produced. The editor in this case, Peter Wade, he didn't fill
9 out the copyright holder. He made no investigation whatsoever
10 as to who the copyright holder was. He didn't fill out the
11 photographer name. He just appropriated it right from
12 Instagram and published it to the world. That in my view,
13 because the fair use doctrine implies good faith and fair
14 dealing. The Supreme Court has held that. There is no good
15 faith and fair dealing when you haven't made any inquiry
16 whatsoever with respect to the copyright holder's name.

17 In terms of transformativeness, which is the first
18 sub-factor, when you look at the body of law on
19 transformativeless starting with the Supreme Court case in
20 *Acuff-Rose v. Campbell*, which was a case involving the a
21 hip-hop group who did a parody of the Roy Orbison song *Pretty*
22 *Woman*. You're talking about the transformative of the work
23 itself. You're not talking about whether or not you're
24 transforming it from a non-commercial use to commercial use.
25 Same thing in *Cariou v. Prince*. That's a Second Circuit

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1 holding. They're talking about an appropriation artist who
2 took a photograph of a Rastafarian and essentially did like a
3 collage or applied spray paint to it and transformed the work
4 itself.

5 Here, they haven't done anything. This is an article
6 about Donald Trump crashing a wedding. My client took the
7 photograph because it was a picture of Donald Trump crashing a
8 wedding. That's just -- I mean, it's a visceral reaction for
9 him to take the photograph, and he certainly did publish it.
10 He shared it with another guest at the wedding. Whether or not
11 he intended to commercially exploit it or not is beside the
12 point.

13 They seem to be conflating two factors here. They're
14 basically saying it's transformative because they've
15 "transformed it from a non-commercial newsworthy purpose to a
16 commercial newsworthy purpose," and that in my view does not
17 fit the criteria.

18 The cases they're citing *Nunez* and *Philpot*, both of
19 them involve professional photographers. In *Nunez*, which is a
20 classic case, it's a First Circuit says from about 20 years
21 ago, involved naked photographs of Ms. Universe or Ms. Puerto
22 Rico Universe and, you know, she took the photographs before
23 she was awarded the crown, and then once she was awarded the
24 crown, it became this huge controversy over whether or not she
25 was qualified to be Ms. Puerto Rico because she had posed in

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1 the nude.

2 So the defendant newspaper in that case had published
3 the photograph even though it was initially intended for a
4 modeling portfolio because it wanted to report on the
5 controversy surrounding whether or not Ms. Puerto Rico was
6 qualified to hold the crown. I agree that's fair use because
7 it's in the public interest to know what Ms. Puerto Rico was
8 doing prior to her being awarded the crown.

9 Here again, they're just using the photograph to tell
10 the story of Donald Trump crashing a wedding, and my client was
11 the one who captured that photograph, and for whatever
12 reason -- they could say he's not a pro -- his photograph
13 resonated with the market. There was an actual market which
14 works into the fourth factor because Yahoo published it, TMZ
15 published it, CBS published it. So there was a market demand
16 for the photograph regardless of whether or not he intended it
17 to be used for commercial purposes.

18 And the copyright clause talks about authors. It
19 doesn't talk about professional authors. Anybody can be an
20 author. It's a democracy. So the idea that a large scale
21 media conglomerate can simply exploit whatever photograph it
22 wants that it obtains from social media just because it's a
23 picture of the President, that's not fair use. It takes it --
24 you know, it takes the fair use doctrine -- it extends it too
25 far.

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1 So we believe that, I think that the fair use doctrine
2 here need to be dismissed, and to set sort of a precedent, and
3 I think there really isn't a clear-cut precedent in a case like
4 this that everyday, ordinary people who just happen to be in
5 the right place at the right time, whether it be taking a
6 picture of the President or taking picture of a terrorist
7 attack or taking a picture of a celebrity or whatever it is,
8 that if their photograph finds residence in the actual
9 marketplace of ideas, that there's an audience for their work,
10 that they deserve to be compensated even if they my have
11 another occupation.

12 THE COURT: We will have the opportunity to discuss
13 all of this in depth later. I understand the photograph was
14 posted on Instagram. Is that right?

15 MR. FREEMAN: Yes, your Honor. It appears that the
16 photograph was -- after my client disseminated it to other
17 wedding guests, it ended up in the hands of the sister of the
18 bride. Then the sister of the bride posted it to her Instagram
19 account; and then Peter Wade, who is the author of the
20 Esquire.com article, he located it at the Instagram page of the
21 sister of bride. Like I said, he made no other inquiry. He
22 just appropriated it, published it.

23 There's also a line of cases which holds that if
24 you're going to argue the fair use doctrine in court, there
25 needs to be some sort of analysis before the work is published

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1 as to whether or not it's fair use. In other words, did Peter
2 Wade send an email to the inhouse counsel saying, hey, is this
3 fair use, can I publish this? There has to be some sort of
4 investigation. Particularly when you're talking about a very
5 sophisticated publisher who has an entire protocol in place as
6 to how you license paragraphs for purposes of commercial
7 exploitation. It's clear here that was not done.

8 So they're really raising the fair use defense ex post
9 facto to skirt liability rather than in the manner it is
10 supposed is to be raised, whereas, you know, clients come to us
11 all the time and they say "I want to use this document in a
12 documentary. Can we do it? Is it fair use or do we have to
13 get a license?" You have to have some sort of inquiry inhouse.
14 That didn't happen here. They just published it.

15 THE COURT: Thank you.

16 Out of curiosity, does it make a difference where the
17 average person photographer makes the image available? So in
18 this instance he thought they made the image available on
19 Instagram, so it was at least available to set of friends.
20 Would it make a difference if the image had been posted in a
21 more public way accessible to a broader public than the
22 Instagram followers of the individual author?

23 MR. FREEMAN: It's an interesting issue. It's a very
24 nuanced issue because the Copyright Act in Section 1 is defined
25 as publication means. There's actually two definitions. The

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1 first one is you have to have some sort of commercial intent to
2 sale or license your work. But there's a second definition.
3 The second sentence says that all you have to do is share with
4 a group of persons, so there doesn't have to be some sort of
5 commercial intent.

6 But to answer your question, I don't think there's
7 much of a difference. I've seen courts sort of parse it out.
8 I know Judge Kaplan has a decision where he says the copyright
9 holder has to have a commercial intent, but that's not what
10 Congress intended because you can just share something with
11 your friends and it can still be considered published. The
12 only time something wouldn't be published, for example, is if
13 you put the photograph on display in your home or in an art
14 gallery and you might have invited people to come in and
15 display it, that might not be considered publication. But as
16 long as it meets the definition of publication, and also in
17 this case my client swiftly moved to register his work within
18 two or three days after the wedding. The wedding was on a
19 Saturday. It was published on a Sunday. He was registering on
20 Monday when he found out that it was published commercially.
21 So it was a visceral reaction. I think any jury is going to
22 relate to that because if you take a photograph and then you
23 wake up the next morning and find out it's being commercially
24 exploited by every media conglomerate in the United States.
25 You're going to take some action. You're going to say, "Hey,

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1 where's my cut? How about me?" Not to mention, this
2 photograph didn't even attribute my client. I mean, with fair
3 use, at the very least you should at least give fair
4 attribution to the creator of the work, but again, they didn't
5 make that step here.

6 In terms of publication, it's an excellent question
7 that your Honor asked. I don't think the law is well settled
8 in that area, and I think that this case is going to help
9 provide some clarity to that in terms of publication, is it the
10 copyrighted holder's intent in terms of publication? What
11 happens when he just gives it to one person and that person
12 publishes it to the world? Is the intent going to be measured
13 at the time that it is published in Instagram or is the intent
14 going to be measured at the time when he disseminated the
15 photograph to the one wedding guest? I honestly don't have an
16 answer for that because the case law hasn't addressed this
17 particular factual scenario.

18 THE COURT: Thank you.

19 I ask counsel for plaintiff what view he was
20 regarding, whether the Court is able to or will be able to
21 decide this issue on summary judgment. My understanding is
22 that the parties agree regarding the facts relevant to this
23 issue such that the Court can properly weigh the factors on its
24 own and make a determination regarding whether the fair use
25 defense is available. What's your view?

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1 MR. FREEMAN: The fair use doctrine is an expression
2 of law and fact. There are cases where there might be certain
3 factual issues that the jury has to decide. But I would say
4 that 90 percent of the cases, particularly in this district in
5 this circuit, the fair use case is decided as a matter of law
6 on summary judgment every now and then on Rule 12, although
7 that's not relevant here. I haven't seen a Rule 56.1 yet. I
8 don't know if there's going to be a lot of fact -- I don't
9 think there's going to be many factual issues in dispute in
10 this case. There might be. I will need to see their brief.

11 I'm confident that your Honor can decide the fair use
12 defense on summary judgment. I have different views, however,
13 on the issue of willfulness, which they raise in their letter
14 where they are saying willfulness is the state of mind of
15 defendant. But when Hearst gets sued for copyright
16 infringement case, they're sort of walking into court crippled
17 because there's a whole slew of cases that say as long as
18 you're in the business of exploiting copyrighted material,
19 you're charged with knowledge of U.S. copyright law and of
20 licensing procedures, and if you fail to abide by them, that's
21 reckless disregard for the copyright holder's rights.

22 Of course, as we pointed out earlier, we also had
23 documentary evidence showing that Peter Wade, the editor of the
24 article, did not follow Hearst's own procedures in terms of
25 entering the copyright claimant and author.

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1 So we don't think willfulness stands a chance on
2 summary judgment. They've intended to make that argument and
3 we will certainly oppose.

4 THE COURT: Thank you.

5 Let me hear from counsel for defendant about the
6 proposed motion for summary judgment regarding the lack of
7 evidence of willfulness.

8 Counsel?

9 MR. FREEMAN: Sure, your Honor.

10 I think plaintiff's counsel said it very well in that
11 their motion or their opposition -- our motion is going to be
12 based on the fact that there is simply not enough evidence for
13 any reasonable juror to conclude that this was willful.

14 Plaintiff's position is essentially that just because
15 Hearst is a mass media company that has been sued for copyright
16 infringement before, it is essentially always on the hook for
17 willfulness damages. We don't believe there is any case law
18 that says that that alone is sufficient. It might be a
19 consideration, but standing alone, it's not sufficient.

20 And notwithstanding counsel's representation that
21 there are documents, there's no evidence in the record speaking
22 as to what Hearst policies and practices are nor to what that
23 particular is document is gesturing to means as to how it
24 should be interpreted. So it is our position that there is
25 actually insufficient evidence in the record of which anyone

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1 can make a finding of willfulness.

2 THE COURT: Thank you.

3 Is the existence of the document that counsel for
4 plaintiff alluded to in dispute? In other words, what he
5 proffered was that there's a document which an editor is
6 supposed to complete with the information regarding copyright
7 holder for any particular image that was not completed here.

8 MS. BISHOP: The document exists and we produced it,
9 but his interpretation of the document we have a disagreement
10 about.

11 THE COURT: Thank you.

12 And that document and its existence does not in
13 defendant's view give rise to a material issue of fact that
14 would preclude summary judgment on this issue?

15 MR. FREEMAN: No.

16 THE COURT: Thank you. Good.

17 Counsel for plaintiff, what's your view on the
18 willfulness? You've already spoken some on the topic. Any
19 further comments?

20 MR. FREEMAN: I would just say I think the document
21 speaks for itself and the fact that it's clear there's a field
22 on the computer which the editor needs to enter information
23 into, one of which says "copyright" and then it has like a down
24 arrow, and they are supposed to enter the term, it's blank.
25 The next one is "photographer name," and he fills it out

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1 "Instagram@LauraMP11." Well, that's not a photographer's name.
2 I think any fact finder could look at this and say, well, this
3 guy, he jumped the gun. He did not complete this form, which
4 is clearly a part of Hearst's ordinary practices. And their
5 expert witness has testified in his report over and over that
6 it's their ordinary course of business to license photographs.
7 That's what they do. They're in the business of licensing
8 creative content. So this is obviously a field that needed to
9 be completed, and we think that any fact finder can find that
10 this is an incomplete form. There's no copyright holder
11 listed. There's no photographer name listed. Even when it
12 says "image rights," he fills in "no rights." I mean, that's
13 clearly an issue of fact. In terms of their statement that,
14 well, just because we're in the industry of exploiting
15 copyrights doesn't mean that we're automatically willful.
16 Well, I'm not going to say, you know, I don't think that it's a
17 per se finding, but I could literally cite dozens of cases
18 where the fact that Hearst has been sued over 12 times in this
19 district alone in the last three years for copyright
20 infringement, and the fact that they are a sophisticated
21 publisher that has inhouse counsel, they're charged with
22 knowledge of copyright law. And willfulness, we have to
23 remember, it doesn't mean bad faith. It doesn't mean they're
24 conniving or anything like that. All it means that they're
25 willfully blind or acted in reckless disregard for the

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1 copyright holder's rights. Just the mere fact they didn't
2 identify who the copyright holder was before they published
3 this photograph, in my view certainly satisfies that standard.
4 And if it doesn't, it certainly is enough to get to a fact
5 finder.

6 THE COURT: Thank you.

7 Counsel for plaintiff, I understand that you also seek
8 summary judgment with respect to the infringement claim itself?

9 MS. BISHOP: Correct.

10 THE COURT: Can you speak to that?

11 MS. BISHOP: Yes. There's two elements. There is the
12 validity of the copyright, which talks about the ownership and
13 originality, and the second element is actual copy. Here
14 they've already admitted in their answer that they actually
15 copied the photograph, and so we don't even need to make -- you
16 know, that's a couple lines in our brief in terms of second
17 element.

18 In terms of the first element, like I say, we have our
19 firm we represent a lot of photographers, and we actually have
20 three full-time employees nine to five who all day every day
21 fill out copyright registration forms. With this particular
22 photograph, they registered it. We have copies of the deposit
23 that was put on to the U.S. Copyright office. We obviously
24 have the certificate of registration, which because it was
25 within the last five years, we're entitled to the presumption

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1 of validity. The burden, therefore, shifts, so there's a
2 rebuttable presumption that the copyright registration is
3 valid. The burden then shifts to Hearst to prove that it was
4 invalid.

5 How do you prove it's invalid? Well, essentially, the
6 cases hold that you have to show that Jonathan Otto defrauded
7 the copyright office. Now, it's remarkable that in this case
8 and many other cases we often sue and sometimes they challenge
9 validity, but, look, the copyright materials that are on
10 deposit with the copyright office, they're a matter of public
11 record. All they got to do is fill out a form and pay a
12 hundred bucks, and they can get a certified copy from the U.S.
13 Copyright Office to determine whether or not the photograph's
14 on deposit. They haven't done that here, and that's their
15 burden because they have to prove invalidity. All we need to
16 do is come into court with a copy of the certificate and an
17 affidavit from the client saying, yes, we registered, and then
18 the burden shifts to them. So they haven't satisfied their
19 burden. You know, there's no evidence on the record whatsoever
20 that my client defrauded the copyright office. There was in
21 deposition testimony where they inquired as to my client's
22 knowledge about the actual process of registering the
23 photograph. He's a lay person. He didn't really know. He
24 says, well, my lawyers did it, but that's not going to be
25 enough evidence to prove that it's an invalid copyright. So I

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1 think with respect to the first element, we prove it hands
2 down. Second element, it's been admitted. We shift right to
3 the affirmative defenses.

4 THE COURT: Thank you.

5 So I've reviewed the proposed briefing schedule for
6 the motion. The deadlines that are proposed would have
7 plaintiff's opening brief presumably limited to the issue of
8 liability be due on February 19. The defendant's opening in
9 opposition, presumably in opposition with respect to the
10 liability issue to the extent that they have one independent
11 fair use defense, and then opening with respect to the
12 willfulness and fair use defense are due a month thereafter.

13 The parties have proposed that defendant's brief would
14 be 50 pages long. Why so many pages, counsel?

15 (Continued on next page)

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1 MS. BISHOP: That was actually plaintiff's counsel
2 initial proposal, which we agreed to; but I believe it is the
3 combination of the two 25-page brief that we would be entitled
4 to if they were separate briefs.

5 THE COURT: So no more than 25 pages will be dedicated
6 to imposing the liability issue and approximately 25 pages will
7 be dedicated to the fair use and willfulness arguments?

8 MS. BISHOP: That's correct, but I very much doubt
9 we'll use all 50 pages.

10 THE COURT: Good. Thank you.

11 With that understanding, I am happy to endorse the
12 proposed page limits and the proposed schedule.

13 Counsel for plaintiff has suggested that he does not
14 yet know what is going to be in the defendant's 56.1 statement.
15 I understand that that will not be prepared most likely until
16 around the time that the defendant's opening is due. I am
17 happy for to us proceed in the ordinary course. This may be a
18 situation in which essentially a stipulated set of facts would
19 be valuable. I am not going to require that you present me
20 with one, but I just ask to the extent possible that you confer
21 to the extent that there are disputed issues in advance to the
22 extent that those may make it difficult or impossible for me to
23 rule on this in the context of summary judgment motion. In any
24 event, I will endorse the schedule as proposed. I will endorse
25 the page limits that the parties have proposed.

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1 Let me refer to my rules for 56.1 statements and
2 district's rules. My rules are not that unique. Basically
3 they require that the party who is opposing a 56.1 statement
4 cut and paste the opposing side's statements and paste beneath
5 their statements your statement of fact. Remember the 56.1
6 statement is not an answer so you cannot simply deny an
7 asserted statement of fact by the opposing side. If you simply
8 say "deny," I will treat it as an admission. Instead, in the
9 same way that the moving party has an obligation to point the
10 Court to record evidence in support of their statement, you
11 should state in opposition what specifically your view is
12 regarding the relevant fact and you should point me to record
13 evidence that supports your view. If you fail to point me to
14 record evidence that supports your view and instead simply give
15 me a categorical denial without reference to record evidence,
16 as I say I will treat that as an admission of the relevant
17 fact.

18 Please, when you are providing me with your papers
19 give me full copies of the depositions in text searchable
20 format to the extent that you provide me with depositions.
21 Please review my individual rules regarding courtesy copies.
22 They require that you give me two courtesy copies of everything
23 in binders with tabs marking each of the relevant exhibits and
24 affidavits.

25 Is there anything else that we should talk about

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1 before we adjourn? I do want to raise with the parties whether
2 there is anything I can do to help facilitate a resolution of
3 the case. Summary judgment motion practice is generally
4 speaking expensive and time-consuming. This is a good
5 opportunity for the parties to engage substantively in a
6 discussion about resolving the case.

7 How can I help with that, counsel for defendant?

8 MS. BISHOP: Thank you, your Honor.

9 We actually had a settlement conference back in
10 October before Judge Cott, which did not result in a
11 settlement. At this point we are not optimistic that the
12 parties are close enough together to have a more productive
13 settlement talk at this point. We are of course willing and
14 always are willing to continue discussing settlement informally
15 and open to hearing new demands and making new offers as things
16 proceed.

17 You also asked if we had anything else to raise and
18 there was one issue we wanted to raise just briefly before your
19 Honor. At the end of fact discovery, we learned of some
20 misconduct by plaintiff and counsel that began during the
21 initial October settlement conference with Judge Cott and
22 continued throughout the discovery period. We believe we need
23 to raise this issue with the Court, but given that it commenced
24 during the confidential session with Judge Cott, we thought
25 that it would be best raised before him --

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1 THE COURT: Thank you.

2 MS. BISHOP: -- in the first instance.

3 THE COURT: Let me just take that up.

4 Yes, to the extent that the issue arises from conduct
5 during the mediation session, I will request that you take it
6 up with Judge Cott in the first instance. I say that first
7 because the those conferences are confidential. I don't know
8 of any fact that it was not successful what happened during it.
9 I don't need to know what happened during it and will not
10 inquire. So to the extent there is an issue that you want to
11 bring up with respect to this issue, please do bring it to
12 Judge Cott in the first instance.

13 To the extent that the issue is -- I will call it --
14 broader than what happened this context of the mediation
15 itself, it may be that the issue falls outside of the scope of
16 my current reference to Judge Cote in which case I will
17 consider. If the parties think it is appropriate, and in
18 particular if Judge Cott thinks it is appropriate, referring
19 the entire issue to him for resolution.

20 Let me ask this question: Is this an issue that can
21 be worked on and resolved in parallel to the substantive
22 litigation of the issues that we have been discussing?

23 MS. BISHOP: We believe so. It doesn't impact the
24 grounds for summary judgment that both parties intend to move
25 on.

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1 THE COURT: Thank you.

2 Do you know what the issue is, counsel for plaintiff?

3 MR. FREEMAN: I do and I would like to make a
4 preliminary note that I made a notice of appearance in this
5 case in November and that settlement conference and the
6 plaintiff's counsel that they are referring to was original
7 Richard Liebowitz. So I want to make that point of
8 clarification.

9 THE COURT: Fine.

10 MR. FREEMAN: I am aware of it, but it is dealing with
11 an interpretation of a settlement agreement and how it relates
12 to a licensing agreement. So it is a damages issue.

13 THE COURT: I don't need to know anything more about
14 the substances of it.

15 The one thing I would suggest is to the extent this is
16 properly framed like a motion for sanctions with respect to
17 discovery, that most likely falls outside the scope of my
18 current reference to Judge Cote. In order for me to put that
19 in front of him more formally, I would ask that you request
20 that I refer that issue to Judge Cott so that I can do so. To
21 the extent that this is not going to impact the litigation of
22 the substance of the case going forward before me, I think it
23 properly would make sense for me to refer to Judge Cott so that
24 you can handle this issue before him on a separate track.

25 Counsel for plaintiff, anything further?

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1 MR. FREEMAN: That's it, your Honor.

2 THE COURT: Counsel for defendant, anything further?

3 MS. BISHOP: No, your Honor.

4 THE COURT: Thank you all.

5 This proceeding is adjourned.

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